location, mainly on account of distance. Therefore, there is no average cost of transportation of LPG cylinder.

(c) The delivered price of 14.2 Kg. LPG cylinder to customers in the four metro cities in 1995 and 2000 were as under:

Rupees per cylinder

Name of the Metro	Price as on 31.3.1995	Price as on 31.3.2000
Mumbai	91.95	199.00
Delhi	93.05	196.55
Kolkata	105.55	221.65
Chcnnai	97.55	202.40

The following steps have been taken to reduce the cost of domestic LPG:

(i) Effective 1-4-1998, cost plus compensation mechanism has been discontinued for refineries and since then, refineries are being paid the import parity price.

(ii) Oil Companies have taken measures to improve capacity utilization of LPG bottling plants.

(in) With a view to reduce transportation cost, new bottling plants have been set up in a dispersed manner.

(iv) To reduce LPG transportation cost, one LPG pipeline from Jamnagar to Loni (near Delhi) has been commissioned in January 2001, besides another proposed pipeline from Vizag to Sccunderabad.

Likely impact on Domestic Industry under WTO Regime

*86. SHRI NARENDRA MOHAN: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether with the lifting of quantitative curbs under the WTO regime in April 2001 the Indian industry will face global competition;

(b) if so, whether Indian industry is well equipped to face this competition; and

(c) if so, what measures Government propose to adopt in this regard keeping in view the stiff competition being faced by small scale industries from countries like China, Singapore, etc. whose qualitatively better goods are available in the market at much cheaper price?

THE MINISTER OF COMMERCE AND INDUSTRY (SHRI MURASOLI MAR AN): (a) to (c) India has been following a continuous policy of removal of restrictions on imports since 1991. Tariff line-wise import policy was first announced on 31.3.1996. As on that date, import of 6161 tariff lines (at 10 digit level) out of the total number of 10202 tariff lines (at 10 digit level) was free. Import restrictions on 488 tariff lines (at 10 digit level) were removed during the period 1.4.96 to 31.3.97. Another 391 tariff lines (at 8 digit level) were freed during the period 1.4.97 to 13.4.98 and 894 tariff lines (at 8 digit level) were freed on 1.4.99. Quantitative restrictions on 714 items were removed on 31.03.2000 and import restrictions on the balance 715 items are required to be removed by 31.03.2001.

Thus it is evident that QRs are not being removed for the first time. In the liberalized import regime the domestic industry will be obliged to face competition from imports subject to the applicable rate of customs duty. However, removal of QRs has not led to any surge in imports. The rate of growth of imports which stood at 36.40% in 1995-96 has come down progressively over the years to 13.2% in 1996-97, 11% in 1997-98, 14.2% in 1998-99, 13.6% in 1999-2000 and 10.6% during April—December 2000. In view of the inelastic demand for petroleum products, if non-oil imports alone are taken into consideration, import growth rates are even lower. The provisional non-oil import growth rate during April—December, 2000 has been (-)8.3%.

The imports are being closely monitored and the Government is determined to ensure that imports do not cause any serious injury to the domestic producers. Some of the recent measures towards that end are as follows:—

(i) Import duties on a number of items have been increased.

(ii) Preliminary anti-dumping duties have been imposed in respect of import of battery cells and sports shoes from China on the basis of *Suo-motto* investigations.

(iii) Import of all packaged commodities has been made subject to compliance of all the conditions of the Standards of Weights and Measures (Packaged Commodity) Order, 1977, as applicable on domestic producers.

(iv) Import of 131 products has been made subject to compliance of the mandatory Indian quality standards as applicable to domestic goods. For compliance of this requirement all manufacturers/exporters of these products to India shall be required to register themselves with Bureau of Indian Standards (BIS). The list of 131 products includes various food preservatives and additives, milk powder, infant milk food, certain kinds of cement, household and similar electrical appliances, gas cylinders and multipurpose dry batteries.

The Government has further decided to introduce a Bill for amending the provisions of Foreign Trade (Development and Regulation) Act, 1992 so that Safeguard Action in the form of QRs can be applied if the situation so warrants.

The Prime Minister has already announced a policy package for Small Scale Industries and the Tiny Sector on 30th August 2000 to make them more competitive. An Inter Ministerial Group (IMG) has also been constituted by the Government under the Chairmanship of Commerce Secretary to assess the likely impact of the impending removal of QRs and to suggest suitable corrective measures.

Stagnation in demand for petroleum products

*87. SHRI GAYA SINGH:
SHRI J. CHITHARANJAN:

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether there was a stagnation in demand for the petroleum products during the year 2000; and